very cheerful The American Shipping Board retained it for a time after the War, and suffered very serious losses through the slump of ship-values and the cost of operation. Even when full allowance had been made for the strategic or economic value of a national fleet, it was still more of a liability than an asset. After the War the Hudson River became a knackers[5] yard.

Reverting to Lord Northcliffe's letter of 11th July, 1917, it may be of interest to note the position of the other principal matter he there dealt with, viz. the financial arrangements between Britain and America.

The Allies encountered two obstacles in their financial dealings with the American Government. The first difficulty was to bring the American Government to appreciate the scale upon which war expenditure was being incurred. They had some notion that considerable orders had been and were being placed with factories, workshops, grain merchants, but they had never totalled it up or considered how the money was found to pay the contractors. The Administration deliberately turned a blind eye to these profitable transactions which made America prosper and the revenue swell. When the Allies came to ask the American Treasury for credit to pay the enormous weekly bills run up for war material in the States, that Department was shocked at the amount that was being spent. It suspected not only

extravagance but something worse. It was convinced that the Allies under the guise of war expenditure meant to equip themselves for future trade and industry at the expense of the American lender.

Distrust of the Allies

They were especially jealous of orders for railway material and locomotives or anything to do with ships. It was difficult to persuade